GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:2720
ANSWERED ON:17.03.2017
Digital/Cashless Transaction Charges
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Will the Minister of FINANCE be pleased to state:

Will the Minister of FINANCE be pleased to state:
(a) whether the Government proposes to streamline digital/cashless payment mechanisms;
(b) if so, the details thereof along with the slashing/recovery of fees/charges against digital payments;
(c) the details of changes applicable on digital payments as on date and disincentives for cash payments along with the amount of cash money free from punitive charges;
(d) the details of percentage of population using digital payments before and after demonetisation; and
(e) the details of the recorded growth/decline in digital/cash transactions post demonetisation?

Answer

ANSWER
MINISTER OF STATE IN THE MINISTRY FOR FINANCE
(SHRI ARJUN RAM MEGHWAL)

(a) & (b): To encourage cashless transactions and promote the use of cards and digital means in transactions, Government has taken various steps. The move is aimed at reducing cash transactions thereby reducing the risks and costs of handling cash at the individual level, improving the ease of conducting transactions, reducing tax avoidance, reducing the cost of managing cash in the economy, building a transitions history to enable improved credit access and financial inclusion and reducing the impact of counterfeit money. Various measures have been taken to promote digital payments, detailed at Annex I.
(c): Charges for Digital Payments.
1. NEFT- This digital mode of Remittance / payment is being administered by RBI and operated by banks. The detail of charges have been fixed by RBI vide its circular dated July 13, 2012.
2. RTGS- This digital mode of Remittance / payment is being administered by RBI and operated by banks. The detail of charges have been fixed by RBI vide its circular dated February 04, 2016.
3. Transaction charges for cash withdrawal at ATMs beyond permissible free monthly limit-
i. RBI has issued a circular (DPSS .CO. PD. No. 316/02.10.002/2014-2015) on the usage of ATMs on August 14,2014 by which banks have been instructed to provide a minimum of three free transactions on other bank ATMs per month in six metropolitan centres (Delhi, Kolkata, Mumbai, Chennai, Hyderabad & Bengaluru). In respect of other places, a minimum of five free transactions (including financial & non- financial transactions) are to be provided to Savings bank (SB) account holders per month on other bank ATMs.
ii. In addition to this a minimum of five free ATM transactions per month is to be provided to all SB Account holders of the bank on bank's own ATM. The free transactions includes financial as well as non- financial ATM transactions. Moreover, this is a minimum cap.
iii. Bank may charge a maximum of Rs.20/ plus applicable Service Tax per ATM transaction after the permissible free monthly transaction limit.

(d) &(e): Details are at Annex II.

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